

Bellcore

© Bell Communications Research

DOCKET FILE COPY ORIGINAL

James F. Britt
Executive DirectorLCC 2E 243
290 West Mt. Pleasant Avenue
Livingston, New Jersey 07039 USA
201-740-4810
201-740-4916
FAX No. 201-740-6897

August 3, 1993

Ms. D. R. Searcy, Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

RECEIVED

AUG - 4 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARYRe: Ex Parte Notice: CC Docket No. 93-129

Dear Secretary Searcy:

On July 29, 1993, representatives of Bellcore, Kirkland & Ellis representing Bellcore and all Regional Bell Operating Companies except U S WEST, U S WEST and Southwestern Bell Telephone Company met with representatives of the Tariff Division and the Office of the General Counsel to discuss concerns relative to the Common Carrier Bureau's Designation Order of July 19, 1993 in the above proceeding. The discussion focused on paragraphs 28 and 29 of the Order and footnote 24 wherein the Bureau stated that since two(2) LECs did not need to rely exclusively on cost models to develop costs for 800 data base services, LECs that did rely on such models must disclose those models on the public record, or provide alternative justification for the proposed rates.

During the meeting, the Declarations attached hereto were provided to both the Tariff Division and the Office of the General Counsel. The Declarations were executed by all seven (7) of the Regional Bell Operating Companies, Southern New England Telephone, Cincinnati Bell and GTE. Although the Declarations were varied, all of the above stated that use of the Bellcore developed Common Channel Signaling Cost Information System (CCSCIS), or a like model (US WEST and GTE) were used to develop 800 data base costs. Moreover, the models used are trade secret and contain the proprietary information of the developer as well as the equipment manufacturers, and can not be disclosed on the public record.

Sprint LTD provided a letter describing the need for cost models containing vendor proprietary or commercially sensitive information to precisely determine capital costs of 800 data base verticle features. As a consequence of the Sprint transmittal, the Tariff Division was served notice that all LECs filing 800 data base rates depend exclusively on cost models which can not be publicly disclosed. On the basis of the preceding, the Tariff Division requested the parties present to discuss available options with the vendors.

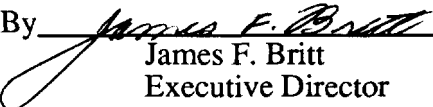
Participating in the meeting for the Tariff Division were Greg Vogt and Tom David. Ms. Jane Mago represented the Office of the General Counsel. Representing the LECs were Messrs. Alfred Winchell Whittaker and Stuart Drake of Kirkland & Ellis, Mr. James Britt of Bellcore, Ms. Janice Stalhut of U S WEST and Mr. Bill Blaze of Southwestern Bell Telephone.

No. of Copies rec'd
List A B C D E

042

Any questions relative to the preceding should be directed to the undersigned.

Respectfully submitted,
Bell Communications Research, Inc.

By _____
James F. Britt
Executive Director

Attachment

Copy (w/Att.) to:

Greg Vogt - FCC
Tom David - FCC
Jane Mago - FCC
Alfred W. Whittaker - Kirkland & Ellis
Stuart Drake - Kirkland & Ellis
Janice Stalhut - U S WEST
Bill Blaze - Southwestern Bell Telephone
Dennis Pines - AT&T
Paul DeJongh - Northern Telecom
M. Shabana - DSC
Nick Locsin - DEC
Louise Tucker - Bellcore

United States of America
FEDERAL COMMUNICATIONS COMMISSION

In the Matter of)	
)	
800 Data Base Access Tariffs and the)	CC Docket No. 93-129
800 Service Management System Tariff)	
)	

Declaration of Julian L. Brice

1. I am Manager-Cost Operations for Ameritech. Ameritech is a local exchange carrier ("LEC") and a participant in the above-captioned proceeding. I provide this declaration to address statements contained in Common Carrier Bureau's Order Designating Issues for Investigation dated July 19, 1993 ("the July 19 Order"). I am personally familiar with the facts related here, and am competent to testify regarding them if called upon to do so.

2. The Common Channel Signalling Cost Information System ("CCSCIS") is a computer model used by Ameritech, a CCSCIS licensee, to calculate and apportion the shared SS7 investments used by 800 data base and other SS7 based services. A key feature of CCSCIS is its incorporation of current cost data from five equipment vendors (Northern Telecom, DSC Communications, Digital Equipment Corporation, Ericsson and AT&T). This enables Ameritech and other users of CCSCIS to develop accurate and up-to-date service specific investments for purposes of this and other proceedings. The vendor data is proprietary and the CCSCIS model is both a trade secret and proprietary, according to Bell Communications Research, Inc. ("Bellcore"), the owner of CCSCIS.

3. Footnote 24 of the July 19 Order states that "since, in the present proceeding, two LECs were able to develop costs for 800 data base service without [CCSCIS or similar model], LECs do not need to rely on such a model for

this service." That statement is not valid with respect to Ameritech. Ameritech has relied upon CCSCIS to develop investments for the 800 data base service. I am not aware of any other models for developing those investments that would enable Ameritech to readily develop reasonable costs for 800 data base vertical services for this proceeding and that would not also involve applications of proprietary data and models.

4. Paragraph 29 of the July 19 Order directs any LEC that relies upon CCSCIS or a similar model in this proceeding "to disclose those models on the record." Bellcore imposes limits on the use of CCSCIS by Ameritech and has established severe restrictions on the disclosure of information contained in or pertaining to the CCSCIS model. Ameritech has complied with those restrictions. Ameritech cannot comply with those restrictions and also "disclose" CCSCIS "on the record."

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 28, 1993.

Julian L. Brice
Julian L. Brice

Subscribed and affirmed before me this 28 day of July, 1993.



Diana M. Lucas

In the Matter of)
) CC Docket No. 93-129
800 Data Base Access Tariffs and the)
800 Service Management System Tariff)

1. I am Assistant Manager - Access Filings at Bell Atlantic Network Services Inc. and was responsible for preparing the rate justification in connection with the Bell Atlantic telephone companies' 800 data base access tariff.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Ruth F. Durbin
Ruth Durbin

United States of America
Federal Communications Commission

In the Matter of)
)
800 Data Base Access Tariffs and the) CC Docket No. 93-129
800 Service Management System Tariff)

Declaration of Hilmar F. Durden

1. I am Hilmar F. Durden, Manager, Economic Analysis for BellSouth Telecommunications, Inc. ("BellSouth"). BellSouth is a local exchange carrier ("LEC") and a participant in the above-captioned proceeding. I provide this declaration to address statements contained in the Common Carrier Bureau's Order Designating Issues for Investigation dated July 19, 1993 ("the July 19 Order"). I am personally familiar with the facts related here, and am competent to testify regarding them if called upon to do so.

2. The Common Channel Signalling Cost Information System ("CCSCIS") is a computer model used by BellSouth, a CCSCIS licensee, to calculate and apportion the shared SS7 investments used by 800 data base and other SS7 based services. A key feature of CCSCIS is its incorporation of current cost data from five equipment vendors (Northern Telecom, DSC Communications, Digital Equipment Corporation, Ericsson and AT&T). This enables BellSouth and other users of CCSCIS to develop accurate and up-to-date service specific investments for purposes of this and other proceedings. The vendor data is proprietary and the CCSCIS model is both a trade secret and proprietary, according to

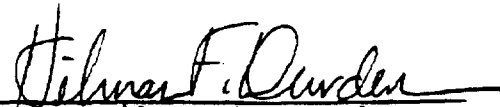
Bell Communications Research, Inc. ("Bellcore"), the owner of CCSCIS.

3. Footnote 24 of the July 19 Order states that "since, in the present proceeding, two LECs were able to develop costs for 800 data base service without [CCSCIS or similar model], LECs do not need to rely on such a model for this service." That statement is not valid with respect to BellSouth. BellSouth has relied upon CCSCIS to develop investments for the 800 data base service. I am not aware of any other means or process for developing those investments that would enable BellSouth to develop reasonable costs for 800 data base vertical services for this proceeding and that would not also involve applications of proprietary data and models.

4. Paragraph 29 of the July 19 Order directs any LEC that relies upon CCSCIS or a similar model in this proceeding "to disclose those models on the record." Bellcore imposes limits on the use of CCSCIS by BellSouth and has established severe restrictions on the disclosure of information contained in or pertaining to the CCSCIS model. BellSouth has complied with those restrictions. BellSouth cannot comply with those restrictions and also "disclose" CCSCIS "on the record."

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 28, 1993.


Hilmar F. Durden

United States of America
Federal Communications Commission

In the Matter of)
) CC Docket No. 93-129
800 Data Base Access Tariffs and the)
800 Service Management System Tariff)

Declaration of Curt Hopfinger

1. I am District Manager-Product Development Costs & Regulatory for Southwestern Bell Telephone Company. Southwestern Bell Telephone Company is a local exchange carrier ("LEC") and a participant in the above-captioned proceeding. I provide this declaration to address statements contained in Common Carrier Bureau's Order Designating Issues for Investigation dated July 19, 1993 ("the July 19 Order"). I am personally familiar with the facts related here, and am competent to testify regarding them if called upon to do so.

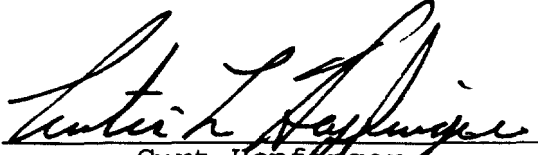
2. The Common Channel Signalling Cost Information System ("CCSCIS") is a computer model used by Southwestern Bell Telephone Company, a CCSCIS licensee, to calculate and apportion the shared SS7 investments used by 800 data base and other SS7 based services. A key feature of CCSCIS is its incorporation of current cost data from five equipment vendors (Northern Telecom, DSC Communications, Digital Equipment Corporation, Ericsson and AT&T). This enables Southwestern Bell Telephone Company to develop accurate and up-to-date service specific investments for purposes of this and other proceedings. The vendor data is proprietary and the CCSCIS model is both a trade secret and proprietary, according to Bell Communications Research, Inc. ("Bellcore") the owner of CCSCIS.

3. Footnote 24 of the July 19 Order states that "since, in the present proceeding, two LECs were able to develop costs for 800 data base service without [CCSCIS or similar model], LECs do not need to rely on such a model for this service." That statement is not valid with respect to Southwestern Bell Telephone Company. Southwestern Bell Telephone Company has relied upon CCSCIS to develop investments for the 800 data base service. I am not aware of any other means or process for developing those investments that would enable Southwestern Bell Telephone Company to develop reasonable costs for 800 data base vertical services for this proceeding and that would not also involve applications of proprietary data and models.

4. Paragraph 29 of the July 19 Order directs any LEC that relies upon CCSCIS or a similar model in this proceeding "to disclose those models on the record." Bellcore imposes limits on the use of CCSCIS by Southwestern Bell Telephone Company and has established severe restrictions on the disclosure of information contained in or pertaining to the CCSCIS model. Southwestern Bell Telephone Company has complied with those restrictions. Southwestern Bell Telephone Company cannot comply with those restrictions and also "disclose" CCSCIS "on the record."

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 27, 1993.


Curt Hopfinger

United States of America
Federal Communications Commission

In the Matter of

800 Data Base Access Tariffs and the
800 Service Management System Tariff

cc Docket No. 93-129

Declaration of James J. Lechtenberg

1. I am Director of Marketing and Product Information for Pacific Bell. Pacific is a local exchange carrier ("LEC") and a participant in the above-captioned proceeding. I provide this declaration to address statements contained in Common Carrier Bureau's Order Designating Issues for Investigation dated July 19, 1993 ("the July 19 Order"). I am personally familiar with the facts related here, and am competent to testify regarding them if called upon to do so.

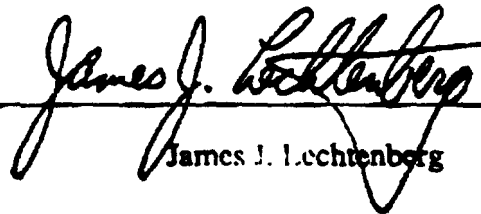
2. The Common Channel Signaling Cost Information System ("CCSCIS") is a computer model used by Pacific, a CCSCIS licensee, to calculate and apportion the shared SS7 investments used by 800 data base and other SS7 based services. A key feature of CCSCIS is its incorporation of current cost data from five equipment vendors (Northern Telecom, DSC Communications, Digital Equipment Corporation, Ericsson and AT&T). This enables Pacific and other users of CCSCIS to develop accurate and up-to-date service specific investments for purposes of this and other proceedings. The vendor data is proprietary and the CCSCIS model is both a trade secret and proprietary, according to Bell Communications Research, Inc. ("Bellcore"), the owner of CCSCIS.

3. Footnote 24 of the July 19 Order states that "since, in the present proceeding, two LEC's were able to develop costs for 800 data base service without (CCSCIS or similar model), LECs do not need to rely on such a model for this service." That statement is not valid with respect to Pacific. Pacific has relied upon CCSCIS to develop investments for the 800 data base vertical services. I am not aware of any better means or process for developing bottoms-up investments that would enable Pacific to develop reasonable costs for 800 data base vertical services for this proceeding and that would not also involve applications of proprietary data and models.

4. Paragraph 29 of the July 19 Order directs any LEC that relies upon CCSCIS or a similar model in this proceeding "to disclose those models on the record." Bellcore imposes limits on the use of CCSCIS by Pacific and has established severe restrictions on the disclosure of information contained in or pertaining to the CCSCIS model. Pacific has complied with those restrictions. Pacific cannot comply with those restrictions and also "disclose" CCSCIS "on the record".

Pursuant to 28 U. S. C. S 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 28, 1993


James J. Lechtenberg

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
800 Data Base Access Tariffs)	CC Docket No. 93-129
and the 800 Service Management)	
System Tariff)	

Declaration of Francis J. Murphy

1. I am Associate Director-Interstate Access & Carrier Services for Telesector Resources Group, Inc., a wholly owned subsidiary of New York Telephone Company and New England Telephone and Telegraph Company (the "NYNEX Telephone Companies" or "NTCs"). The NYNEX Telephone Companies are local exchange carriers ("LECs") and participants in the above-captioned proceeding. I provide this declaration to address statements contained in Common Carrier Bureau's Order Designating Issues for Investigation dated July 19, 1993 ("the July 19 Order"). I am personally familiar with the facts related here, and am competent to testify regarding them if called upon to do so.

2. The Common Channel Signalling Cost Information System ("CCSCIS") is a computer model used by the NTCs, as CCSCIS licensees, to calculate and apportion the shared SS7 investments used by 800 data base and other SS7 based services. A key feature of CCSCIS is its incorporation of

current cost data from five equipment vendors (Northern Telecom, DSC Communications, Digital Equipment Corporation, Ericsson and AT&T). This enables the NTCs and other users of CCSCIS to develop accurate and up-to-date service specific investments for purposes of this and other proceedings. The vendor data is proprietary and the CCSCIS model is both a trade secret and proprietary, according to Bell Communications Research, Inc. ("Bellcore"), the owner of CCSCIS.

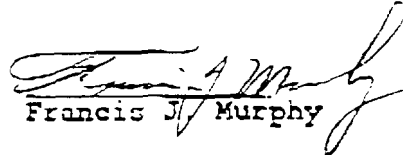
3. Footnote 24 of the July 19 Order states that "since, in the present proceeding, two LECs were able to develop costs for 800 data base service without [CCSCIS or similar model], LECs do not need to rely on such a model for this service." That statement is not valid with respect to the NTCs. The NTCs have relied upon CCSCIS to develop investments for the 800 data base service. I am not aware of any other means or process for developing those investments that would enable the NTCs to develop reasonable costs for 800 data base vertical services for this proceeding and that would not also involve applications of proprietary data and models.

4. Paragraph 29 of the July 19 Order directs any LEC that relies upon CCSCIS or a similar model in this proceeding "to disclose those models on the record." Bellcore imposes limits on the use of CCSCIS by the NTCs and has established severe restrictions on the disclosure of information contained in or pertaining to the CCSCIS model. The NTCs have complied with those restrictions. The NTCs cannot comply with those restrictions and also "disclose" CCSCIS "on the record."

- 3 -

Pursuant to 28 U.S.C. § 1746, I declare under penalty
of perjury that the foregoing is true and correct.

Executed on July 28, 1993.


Francis J. Murphy

**United States of America
Federal Communications Commission**

In the Matter of

800 Data Base Access Tariffs and the
800 Service Management System Tariff

)
)
)
)
)

CC Docket No. 93-129

Declaration of Robert E. Sigmon

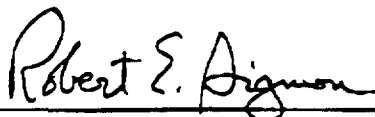
1. I am Vice President - Regulatory Affairs for Cincinnati Bell Telephone Company ("CBT"). CBT is a local exchange carrier ("LEC") and a participant in the above-captioned proceeding. I provide this declaration to address statements contained in the Common Carrier Bureau's Order Designating Issues for Investigation released July 19, 1993 ("the July 19 Order"). I am personally familiar with the facts related herein, and am competent to testify regarding them if called upon to do so.

2. The Common Channel Signalling Cost Information System ("CCSCIS") is a computer model used by CBT, a CCSCIS licensee, to calculate and apportion the shared SS7 investments used by 800 data base and other SS7-based services. A key feature of CCSCIS is its incorporation of current cost data from five equipment vendors (Northern Telecom, DSC Communications, Digital Equipment Corporation, Ericsson and AT&T). This enables CBT and other users of CCSCIS to develop accurate and up-to-date service specific investments for purposes of this and other proceedings. The vendor data is proprietary and the CCSCIS model is both a trade secret and proprietary, according to Bell Communications Research, Inc. ("Bellcore"), the owner of CCSCIS.

3. Footnote 24 of the July 19 Order states that "since, in the present proceeding, two LECs were able to develop costs for 800 data base service without [CCSCIS or similar model], LECs do not need to rely exclusively on such a model for this service." That statement is not valid with respect to CBT. CBT has relied upon CCSCIS to develop investments for the 800 data base service. I am not aware of any other means or process for developing those investments that would enable CBT to develop reasonable costs for 800 data base vertical services for this proceeding and that would not also involve applications of proprietary data and models.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 28, 1993.



Robert E. Sigmon

g:\commloan\dsb\sbx0248a.pld

UNITED STATES OF AMERICA
FEDERAL COMMUNICATIONS COMMISSION

In the Matter of)	CC Docket No. 93-129
800 Data Base Access Tariffs)	
and the 800 Service Management)	
<u>System Tariff</u>)	

Declaration of Martin W. Clift

1. I am Director of Regulatory Matters for The Southern New England Telephone Company (SNET). SNET is a local exchange carrier ("LEC") and a participant in the above-captioned proceeding. I provide this declaration to address statements contained in Common Carrier Bureau's Order Designating Issues for Investigation dated July 19, 1993 ("the July 19 Order"). I am personally familiar with the facts related here, and am competent to testify regarding them if called upon to do so.

2. The Common Channel Signaling Cost Information System ("CCSCIS") is a computer model used by SNET, a CCSCIS licensee, to calculate and apportion the shared SS7 investments used by 800 data base and other SS7 based services. A key feature of CCSCIS is its incorporation of current cost data from five equipment vendors (Northern Telecom, DSC Communications, Digital Equipment Corporation, Ericsson and AT&T). This enables SNET and other users of CCSCIS to develop accurate and up-to-date service specific investments for purposes of this and other proceedings. In

- 2 -

addition to the vendor data, the model also includes SNET specific information that is proprietary, confidential, and which constitutes trade secret information. To the best of my knowledge SNET has never publicly disclosed this information.

3. Footnote 24 of the July 19 Order stated that "since, in the present proceeding, two LECs were able to develop costs for 800 data base service without (CCSCIS or similar model), LECs do not need to rely on such a model for this service." That statement is not valid with respect to SNET. SNET has relied upon CCSCIS to develop investments for the 800 data base service. I am not aware of any other means or process for developing those investments that would enable SNET to develop reasonable costs for 800 data base vertical services for this proceeding and that would not also involve applications of proprietary data and models.

Pursuant to 28 U.S.C. Section 1746, I declare under penalty of perjury that the foregoing is true and correct.
Executed on July 29, 1993.

Martin W. Ciftci

(Declarant)

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington DC 20554

-----))
In the Matter of))
))
800 Data Base Access Tariffs and the) CC Docket No. 93-129
800 Service Management System Tariff))
-----))

Declaration of Kenneth A. Moreland

1. I am Kenneth A. Moreland, Staff Administrator - New Services Pricing, GTE Telephone Operations, 600 Hidden Ridge, HQE02D12, Irving, Texas 75038. I provide this declaration to address statements contained in the Order Designating Issues for Investigation released by the Acting Chief, Common Carrier Bureau, July 19, 1993 ("the July 19 Order"), *800 Data Base Access Tariffs*, CC Docket No. 93-129, particularly at footnote 24. I am personally familiar with the facts related herein, and am competent to testify as to those facts if called on to do so.

2. I developed the cost analysis and pricing to support the 800 Data Base tariff filings on March 1, 1993 (Transmittal Nos. 775 and 36) of the GTE and Contel telephone companies. The following procedures were carried out utilizing a costing model developed by GTE:

A. I identified equipment involved in providing 800 Data Base service, including equipment already owned or leased by the company as well as equipment planned to be purchased or leased.

B. I identified the vendor's price to GTE for equipment purchased or to be purchased. Leased facility costs were

calculated based on tariffed rate elements under the tariffs of interexchange carriers. Pricing for equipment was furnished by the equipment vendors with the understanding that contract details concerning pricing and sizing parameters would be held proprietary.

C. Based on GTE's forecasted usage of the equipment involved, I either directly assigned the anticipated aggregate equipment costs to 800 Data Base service when it was planned to be dedicated to that service, or otherwise allocated the cost among services in accordance with anticipated relative usage for each unit of equipment.

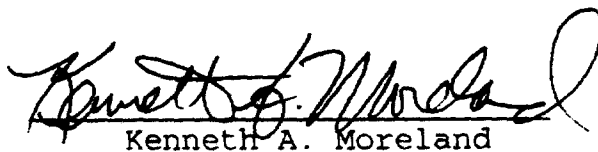
D. Based on GTE's forecasts of the anticipated volume of SS7 Message Signaling Units (the lowest measurable common denominator for SS7 traffic), I calculated "Total Capitalized Cost" and "Total Expensed Cost" for an 800 Data Base query as shown on Exhibit 6 in GTE's March 1 tariff filing.

3. In carrying out the foregoing, I did not use the Common Channel Signaling Cost Information System ("CCSCIS") or the Switching Cost Information System ("SCIS"), both developed by Bellcore.

4. GTE's costing model is used to develop SS7-related costs for other services in addition to 800 Data Base costs. Embodied within this model is intellectual property and technical information, including some which constitute trade secrets. This information is highly sensitive and proprietary not only to GTE but also to its various equipment vendors.

Pursuant to 28 U.S.C. Section 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 28, 1993.


Kenneth A. Moreland



AUG - 2 1993

1850 M Street, N.W., 11th Floor
Washington, D.C. 20036
Telephone: (202) 828-7452

Richard D. Lawson
Director
Federal Regulatory Relations
United Telephone Companies

July 29, 1993

Mr. Gregory J. Vogt
Chief, Tariff Division
Federal Communications Commission
1919 M. Street, Room 518
Washington, DC 20554

Dear Mr. Vogt,

Representatives of Bellcore asked the United Telephone companies (United) to send you this letter regarding United's use of a model to determine the capital costs included in United's rates for 800 data base vertical features.

I consulted with the United costing and rate development experts that prepared United's 800 data base tariff filing. They inform me that United did not include any capital costs in the rates for vertical features. Accordingly, United did not use Bellcore's CC SCIS costing model or any equivalent costing model to calculate the capital costs of 800 data base vertical features.

However, United's experts also inform me that had United chosen to include capital costs, the same could not have been precisely determined without the use of a proprietary model or process containing vendor proprietary information or commercially sensitive information.

If you have questions about this matter, please contact me at the telephone number or address shown above.

Sincerely,

A handwritten signature in cursive script that reads "Richard D. Lawson".

Richard D. Lawson

cc: Jay C. Keithley
Vice President - Law and External Affairs
Sprint/United Telephone
Craig Smith
Senior Attorney
Sprint/United Telephone
Stuart Drake
Kirkland & Ellis
James F. Britt
Bellcore